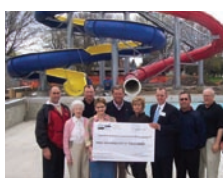


Reaching New Levels to Advance Rural Iowa



2006 ANNUAL REPORT

It's an exciting time for rural America, and also an exciting time for USDA Rural Development. The development of the renewable energy industry, the expansion of broadband and the internet, the growth of telecommuting, and a variety of other factors has allowed for significant growth and development in rural communities.



Mark Reisinger, USDA Rural Development State Director in Iowa

USDA Rural Development provides financing and technical assistance for housing, business development, and critical community and technology infrastructure projects in rural America. So, we are in a prime position to support the developments that can help make the future of rural Iowa a bright one.

In 2006, we had a record year of investment in rural Iowa. We were able to devote \$329 million to promote growth across the state.

This investment is expected to help create or retain nearly 2,100 jobs, aid 1,300 families in buying their own home and assist nearly 100 communities in improving community facilities and upgrading local infrastructure.

We are constantly looking to expand our investment in rural communities across Iowa and hope that 2007 is another record year.

However, all of our programs are voluntary, so we are always on the lookout for individuals and groups with a stake in rural America. We want to work with them and support their efforts to improve their community.

So, give us a call at (515) 284-4663 and give us a chance. We are excited to work with you to revitalize communities across Iowa.

Mark Reisinger

USDA Rural Development  
State Director in Iowa



Thomas C. Dorr, Under Secretary for Rural Development

For the employees of USDA Rural Development – and the millions of rural Americans they serve – 2006 was a year of achievement and progress. Whether it's a new biodiesel plant, a medical clinic, energy efficient corn driers, a wind farm, broadband service, a fire station, a community hall, single or multi-family housing, or digital TV service for a public broadcasting station, USDA Rural Development is "connecting the assets" that we've provided to rural America. It's a lot of money: \$76.8 billion since the start of the Bush Administration. This investment represents Rural Development leading the way to a bright new future for Americans who choose to live in our rural communities and on our farms.

Thomas C. Dorr  
Under Secretary  
USDA Rural Development



Mike Johanns  
Secretary of Agriculture

We have accomplished much over the past year and we are eager to build upon those accomplishments by strengthening even further our rural communities. We remain committed to creating an environment where future generations will not only live, but thrive in rural America.

Mike Johanns  
Secretary of Agriculture

2005	2006	USDA Rural Development Funding Activity – Iowa
\$28,749,164	\$59,755,342	Business – Cooperative Programs
\$109,063,390	\$125,957,821	Housing Programs
\$42,503,085	\$55,335,288	Community Programs
\$55,523,450	\$88,492,000	Telecommunication & Electric
<b>\$235,839,089</b>	<b>\$329,540,451</b>	<b>Total</b>
Approx. 2,600	Nearly 2,100	Iowa Jobs (created, retained and/or saved)





For more information about Rural Development's role in financing projects in rural Iowa in 2006, please visit their web site at [www.rurdev.usda.gov/ia](http://www.rurdev.usda.gov/ia). There you will find articles from such publications as *Wallaces Farmer*, *Iowa Farmer Today* and *Successful Farming*, along with local newspapers, describing in great detail the positive impact Rural Development is having in rural Iowa.



# Spurring Business and Economic Development in Rural Iowa



Through partnerships with producers, rural businesses and communities, and economic development organizations, USDA Rural Development had a record year promoting the growth of rural Iowa.

In 2006, Rural Development partnered with 140 stakeholders in rural communities to invest \$59 million, helping to create or retain a projected 2,100 rural Iowa jobs. This investment leveraged \$181 million in economic growth throughout the state.

USDA Rural Development in Iowa was a national leader in the number of producers assisted with value-added agriculture and renewable energy or energy efficiency opportunities in 2006.

This past year 63 renewable energy and energy efficiency projects in Iowa received a record \$14.2 million in guaranteed loans or grants. These funds helped businesses install renewable systems like wind, solar, biomass or geothermal, or make energy efficiency improvements to facilities, like improving insulation, installing automatic lights, or changing out motors, refrigeration, ventilation, or HVAC systems. A popular use of the program this year was to assist in the purchasing of new, more efficient grain drying systems.

Another \$4 million was awarded for 32 value-added projects. Recipients included ethanol and biodiesel plants, large wind, pork processors, wineries, specialty soy oil, as well as a number of others.

A large portion of USDA Rural Development's business program portfolio is providing guaranteed loans, in essence a loan through a private lender that is "cosigned" by the federal government, for developing or expanding businesses. During the past year, Rural Development was able to guarantee more than \$42 million in loans from banks to 17 private businesses to help them get funds at the most competitive rate.

USDA Rural Development is always on the lookout for new rural business and cooperative projects to partner with to advance its mission of ensuring the best possible quality of life for all rural Americans.

## 2005

\$9,730,000  
\$7,426,000  
\$512,950  
\$2,200,000  
\$93,540  
\$5,733,157  
\$1,305,686  
\$300,000  
\$1,447,831  
**\$28,749,164**  
\$86,961,446

## 2006

\$31,680,000  
\$6,545,000  
\$531,999  
\$1,500,000  
\$50,000  
\$14,226,124  
\$4,207,469  
\$0  
\$1,014,750  
**\$59,755,342**  
\$181,315,200

### Business—Cooperative Programs Funding

Business & Industry Loan Guarantee	
Rural Economic Development Loans & Grants (REDLGs)	
Rural Business Enterprise Grants (RBEs)	
Intermediary Relending Program (IRP)	
Rural Business Opportunity Grants (RBOG)	
Renewable Energy & Energy Efficiency Program	
Value Added Producer Grants	
Rural Cooperative Development Grants	
Marketing Resource Center Grant	
<b>Total</b>	
Total Leveraged*	

\* Additional financing from sources other than Rural Development.



## Investment in Housing Programs Expands in 2006



The ability to provide current and prospective residents with affordable and safe housing is fundamental to a community's ability to grow. To that end, ensuring that families, disabled residents and seniors have access to quality single and multi-family housing has been a central priority of USDA Rural Development for more than 70 years.

In 2006, USDA Rural Development invested \$125 million in providing rural Iowa families with access to housing.

This included more than \$98 million to assist 1,300 families with loans to buy their own home, helped nearly 300 families make needed repairs to their homes to make them safe and structurally sound, and begin the process of helping 20 families in southeast Iowa build their own homes through our Self-Help Housing program.

Rural Development currently provides the financing for nearly 600 multi-family housing projects in Iowa, giving rural residents access to nearly 11,000 apartments. In addition, more than \$11.5 million in rental assistance was provided by Rural Development to make sure rural families, seniors and those with disabilities are able to afford to live in these facilities.

Three new multi-family housing programs were introduced by Rural Development in 2006, including a voucher program for residents, a rehabilitation and repair program for property owners and a multi-family loan restructuring program. In fact, Iowa's \$11.7 million investment in these three programs was one of the top amounts in the nation.

Housing is vital if a rural community is going to be a healthy, safe and prosperous place to live and work. USDA Rural Development will continue to invest in rural Iowa and assist thousands through rental assistance, low-interest loans, guaranteed loans, self-help housing, farm labor housing, and assistance for home improvement and repair projects.

### 2005

\$71,100,983  
\$21,978,755  
\$1,349,356  
\$0  
\$675,000  
\$140,000  
\$94,296  
\$6,289,000  
\$7,436,000  
N/A  
N/A  
N/A

**\$109,063,390**

### 2006

\$66,160,693  
\$31,858,378  
\$1,784,400  
\$10,000  
\$2,456,000  
\$160,000  
\$203,036  
\$11,547,848  
\$0  
\$124,645  
\$2,030,634  
\$9,622,187

**\$125,957,821**

### Housing Programs Funding

Guaranteed Single Family Housing Loans  
Direct Single Family Housing Loans  
Single Family Housing Rehab Loans & Grants  
Self-Help Housing  
Multi-Family Housing New Construction Loans  
Farm Labor Housing Loan Program  
Housing Preservation Grants  
Rental Assistance (provided to tenants)  
Guaranteed Multi-Family Housing Loans  
Multi-Family Voucher Assistance Program  
Multi-Family Housing Preservation & Rehab Loans  
Multi-Family Housing Loan Restructuring Program

**Total**

## Nearly 100 Iowa Communities Assisted by Rural Development in 2006



Whether the project is a new medical clinic, hospital, fire station, fire truck, emergency equipment, community building, assisted living facility, child care center, or rural water, telephone, electric or broadband project, USDA Rural Development is ready to partner with communities in developing critical infrastructure.

In 2006, USDA Rural Development assisted 97 Iowa communities with improvements to community facilities and upgrades to local infrastructure. Through guaranteed loans, direct loans and grants, \$143 million was funneled through Rural Development to communities across Iowa.

Iowa led the nation with more than \$7 million in guaranteed lending for community projects, including a civic center, medical office buildings, child care facility, youth center, Alzheimer-care addition and a nature center. In addition, Rural Development was able to partner with six faith-based organizations that are providing vital services to rural communities in Iowa.

Rural Development also provided \$41 million to help provide necessary water and wastewater services to rural areas.

More than 20 different types of community facilities received assistance in 2006. These projects included things such as child care centers, a library, a city hall, a birthing center and a wellness facility. We also provided 34 communities assistance in purchasing fire, rescue and public safety equipment and buildings.

Four Iowa projects were also awarded \$826,000 for the Rural Community Development Initiative program, which provides technical assistance to rural organizations that want to promote economic development in their community.

Rural Development believes community improvement project efforts are important to the sustainability of rural America, and we are ready to help communities across Iowa develop these critical resources.

### 2005

\$26,852,000  
\$15,336,585  
\$239,500  
\$75,000  
\$25,328,450  
\$30,195,000  
**\$98,026,535**

### 2006

\$41,001,200  
\$13,469,255  
\$38,000  
\$826,833  
\$8,588,000  
\$79,904,000  
**\$143,827,288**

#### Community Programs Funding

Water and Waste Grants & Loans  
Community Facility Loans & Grants  
Solid Waste Water Management  
Rural Community Development Initiative  
Telecommunications Programs  
Electric Programs  
**Total**

# Orange City Area Health System

## Providing Outstanding Healthcare Opportunities for Rural Iowans



In April 2006, the Orange City Area Health System opened a new medical campus on a 37-acre site between Orange City and Alton. The 128,000 square-foot facility, that is both beautiful and functional, was made possible, thanks in part to assistance from USDA Rural Development.

Orange City, a growing community with a number of successful businesses, had outgrown its 46-year-old downtown facility and had been working toward the completion of a new hospital for a number of years. The idea for the new facility began forming in the fall of 1999 as the future needs of the Orange City Area Health

System were being determined. This began years of strategic planning and feasibility studies, community focus groups and forums. In the summer of 2003, the master campus design was completed and the process to secure funding was initiated.

The total project cost ended up being \$29.6 million, including land. USDA Rural

Development was able to play an important role in the financing by providing a 90 percent guarantee on the \$20 million loan funded through Iowa State Bank, which partnered with five other local banks.

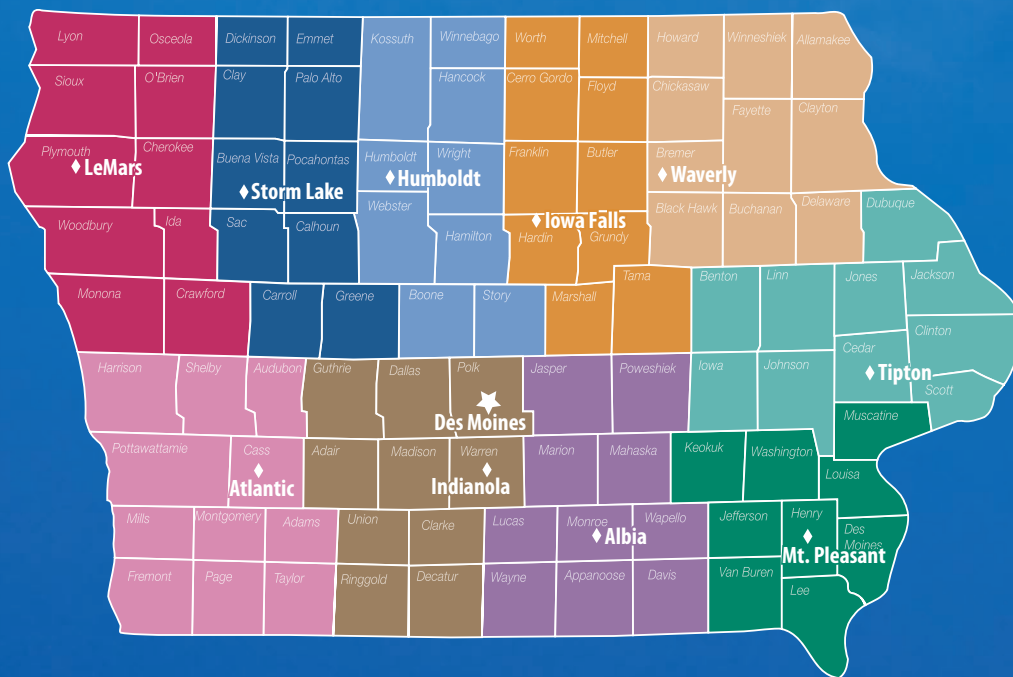
The Orange City Area Health System also received a \$1.75 million Business and Industry Loan Guarantee from Rural Development on a loan from Northwestern Bank to support construction of a 14,922 square-foot medical office building on the new campus that will include outpatient physical and occupational therapy, an otolaryngology (ear/nose/throat) clinic, audiology and aquatic rehabilitation/ community wellness center.

Rural Development also provided a \$300,000 Rural Economic Development Grant to North West Rural Electric Cooperative that they used to finance construction costs and related equipment for a new diagnostic imaging center at the hospital.

This project is a clear example of what rural communities can accomplish when they work together. And, USDA Rural Development is excited to be a part of that partnership.







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### Mark Reisinger State Director

### Area Offices

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Area 3 Tipton—563-886-6006  
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Area 5 Albia—641-932-3031  
Area 6 Indianola—515-961-5365  
Area 7 Atlantic—712-243-2107  
Area 8 Le Mars—712-546-5149  
Area 9 Storm Lake—712-732-1851  
Area 10 Humboldt—515-332-4411



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